

STUMPAGE PAYMENT

State Timber will not be removed from any sale area until paid for.

Advance payment is required and when the payment is exhausted, hauling will be stopped until another advance payment is made.

Where the "ticket" method of scaling is used, tickets will be purchased in advance of hauling. The price charged per ticket should be a weighted cordwood price and average load volume. Periodically, ledgers must be reconciled to accommodate for more or less than the actual value received.

On all sales, all wood will be paid for prior to hauling. County forests may elect not to require advance stumpage payments. In order to maintain accountability, it is recommended that increased level of performance bonds be required, i.e. 25%.

Sales Tax on Stumpage

Collection of sales tax on sales of all items from DNR lands is covered in M.C. 9340.2. The following instructions expand on those general guidelines and provide specific information on timber sales.

State Firewood

Firewood sales for residential use are not taxable. This is in line with sales tax exemption status for all other residential fuels and no sales tax exemption certificate is required.

All Other Timber Sales and Forest Products Permit

Sales of standing timber are subject to sales tax unless the operator meets one of the following exceptions:

1. Sales for Resale (Includes most sales of stumpage)

Purchaser must apply to the Department of Revenue for exemption using the Wisconsin Resale Certificate Form and indicating "wholesale only" in the space for seller's permit number. However, no permit will be issued.

2. Sales to Manufacturers

Purchaser must furnish Manufacturer's Exemption Certificate.

Applicable state and county sales tax should be collected and remitted with payment for forest products unless exempt as indicated above.